

**ND PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2007**

	October-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Quarter	Fiscal YTD	FY07	Ended	Ended
				Net ROR				Net ROR	Net ROR	Net ROR	6/30/2007	6/30/2007
											Net ROR	Net ROR
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
LA Capital	79,845,092	4.0%	4.1%	2.14%	78,156,517	4.0%	4.1%	0.41%	2.57%	21.75%	13.79%	N/A
<b>Total Structured Growth</b>	<b>79,845,092</b>	<b>4.0%</b>	<b>4.1%</b>	<b>2.14%</b>	<b>78,156,517</b>	<b>4.0%</b>	<b>4.1%</b>	<b>0.41%</b>	<b>2.57%</b>	<b>21.75%</b>	<b>13.79%</b>	<b>11.59%</b>
<i>Russell 1000 Growth</i>				3.40%				4.21%	7.75%	19.04%	8.70%	9.28%
<i>Structured Value</i>												
LSV	88,223,342	4.4%	4.5%	-0.15%	88,328,104	4.5%	4.5%	-1.05%	-1.20%	23.29%	19.11%	16.46%
<i>Russell 1000 Value</i>				0.01%				-0.24%	-0.23%	21.87%	15.93%	13.31%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	83,998,603	4.2%	4.2%	2.38%	82,026,620	4.2%	4.2%	0.07%	2.45%	20.43%	13.31%	11.77%
<i>Russell 1000</i>				1.74%				1.98%	3.76%	20.43%	12.34%	11.33%
<i>Enhanced S&amp;P 500 Index</i>												
Northern Trust	75,357,315	3.8%	3.9%	0.78%	74,761,578	3.8%	3.9%	0.34%	1.12%	19.26%	11.40%	10.53%
Westridge	99,631,241	5.0%	3.9%	1.67%	97,533,975	5.0%	3.9%	2.18%	3.89%	21.05%	12.00%	11.00%
Wells Capital	66,299,677	3.3%	3.0%	0.49%	65,874,490	3.4%	3.0%	4.26%	4.78%	30.71%	N/A	N/A
Franklin	56,091,966	2.8%	3.0%	1.29%	55,343,565	2.8%	3.0%	-0.71%	0.57%	N/A	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>297,380,199</b>	<b>12.0%</b>	<b>13.8%</b>	<b>1.11%</b>	<b>293,513,609</b>	<b>12.1%</b>	<b>13.8%</b>	<b>1.60%</b>	<b>2.73%</b>	<b>21.56%</b>	<b>11.94%</b>	<b>11.24%</b>
<i>S&amp;P 500</i>				1.59%				2.03%	3.65%	20.59%	11.68%	10.71%
<i>Absolute Return Strategy</i>												
Epoch	15,928,385	0.8%	1.4%	2.45%	15,531,911	0.8%	1.4%	0.06%	2.51%	N/A	N/A	N/A
<i>S&amp;P 500</i>				1.59%				2.03%	3.65%			
<i>S&amp;P 500 Index</i>												
State Street	38,217,586	1.9%	2.1%	-0.09%	38,229,585	1.9%	2.1%	-0.79%	-0.89%	21.86%	12.41%	11.15%
<i>S&amp;P 500</i>				1.59%				2.03%	3.65%	20.59%	11.68%	10.71%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>603,593,208</b>	<b>30.0%</b>	<b>30.0%</b>	<b>1.19%</b>	<b>595,786,347</b>	<b>30.3%</b>	<b>30.0%</b>	<b>0.70%</b>	<b>1.90%</b>	<b>21.66%</b>	<b>13.61%</b>	<b>12.15%</b>
<i>S&amp;P 500</i>				1.59%				2.03%	3.65%	20.59%	11.68%	10.71%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
SEI	132,014,494	6.6%	7.2%	2.41%	128,886,735	6.6%	7.2%	-4.25%	-1.94%	17.13%	13.31%	14.32%
<i>Russell 2000 + 200bp</i>				3.04%				-2.60%	0.36%	18.76%	15.72%	16.16%
Callan	58,430,075	2.9%	2.8%	2.74%	56,890,194	2.9%	2.8%	-1.14%	1.57%	21.00%	N/A	N/A
<i>Russell 2000</i>				2.87%				-3.09%	-0.31%	16.44%		
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>190,444,569</b>	<b>9.5%</b>	<b>10.0%</b>	<b>2.51%</b>	<b>185,776,929</b>	<b>9.5%</b>	<b>10.0%</b>	<b>-3.32%</b>	<b>-0.89%</b>	<b>17.89%</b>	<b>13.50%</b>	<b>14.44%</b>
<i>Russell 2000</i>				2.87%				-3.09%	-0.31%	16.44%	13.45%	13.88%
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Core</i>												
State Street	20,297,552	1.0%	1.0%	3.31%	19,635,023	1.0%	1.0%	1.42%	4.78%	27.82%	20.73%	15.09%
<i>MSCI EAFE (1)</i>				3.93%				2.18%	6.19%	27.00%	20.77%	14.70%
<i>Large Cap - Active</i>												
Capital Guardian	61,568,516	3.1%	3.0%	4.02%	59,077,593	3.0%	3.0%	-0.21%	3.81%	26.04%	21.52%	14.83%
LSV	58,837,982	2.9%	3.0%	3.06%	57,089,031	2.9%	3.0%	-3.20%	-0.24%	29.94%	N/A	N/A
Bank of Ireland	19,607,025	1.0%	1.0%	4.29%	18,800,725	1.0%	1.0%	-4.43%	-0.32%	25.29%	19.70%	13.72%
<b>Total Large Cap - Active</b>	<b>140,013,523</b>	<b>7.0%</b>	<b>7.0%</b>	<b>3.65%</b>	<b>134,967,349</b>	<b>6.9%</b>	<b>7.0%</b>	<b>-2.09%</b>	<b>1.49%</b>	<b>27.58%</b>	<b>22.64%</b>	<b>15.45%</b>
<i>MSCI EAFE - 50% Hedged</i>				3.25%				0.11%	3.36%	26.94%	22.55%	15.71%
<i>Small Cap - Active</i>												
Lazard	19,195,536	1.0%	1.0%	5.34%	18,220,097	0.9%	1.0%	-3.54%	1.61%	24.18%	22.99%	21.28%
Wellington	20,437,957	1.0%	1.0%	5.03%	19,441,255	1.0%	1.0%	-0.96%	4.01%	26.62%	20.49%	21.40%
<b>Total Small Cap - Active</b>	<b>39,633,493</b>	<b>2.0%</b>	<b>2.0%</b>	<b>5.18%</b>	<b>37,661,352</b>	<b>1.9%</b>	<b>2.0%</b>	<b>-2.23%</b>	<b>2.84%</b>	<b>25.39%</b>	<b>21.75%</b>	<b>21.34%</b>
<i>Citigroup Broad Market Index &lt; \$2BN</i>				4.70%				-0.66%	4.01%	28.60%	26.33%	25.39%
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>199,944,568</b>	<b>10.0%</b>	<b>10.0%</b>	<b>3.92%</b>	<b>192,263,725</b>	<b>9.8%</b>	<b>10.0%</b>	<b>-1.77%</b>	<b>2.07%</b>	<b>27.21%</b>	<b>22.14%</b>	<b>16.66%</b>
<i>MSCI EAFE - 50% Hedged</i>				3.25%				0.11%	3.36%	26.94%	22.55%	15.71%
<b>EMERGING MARKETS EQUITY</b>												
<i>Core</i>												
JP Morgan	21,372,516	1.1%	0.9%	9.71%	21,771,208	1.1%	0.9%	11.70%	22.54%	46.07%	N/A	N/A
PanAgora	21,574,031	1.1%	0.9%	10.97%	21,764,487	1.1%	0.9%	15.67%	28.37%	46.34%	N/A	N/A
WestLB	21,711,553	1.1%	0.9%	12.69%	21,648,976	1.1%	0.9%	14.72%	29.28%	42.11%	N/A	N/A
UBS	37,927,355	1.9%	1.5%	13.11%	38,016,766	1.9%	1.5%	14.81%	29.86%	42.04%	N/A	N/A
<b>Total Core</b>	<b>102,585,456</b>	<b>5.1%</b>	<b>4.1%</b>	<b>11.85%</b>	<b>103,201,437</b>	<b>5.3%</b>	<b>4.1%</b>	<b>14.30%</b>	<b>27.85%</b>	<b>43.90%</b>	<b>37.74%</b>	<b>29.07%</b>
<i>MSCI Emerging Markets</i>				11.16%				14.52%	27.30%	45.45%	38.67%	21.67%
<i>Small Cap</i>												
DFA	21,445,827	1.1%	1.0%	7.44%	22,865,426	1.2%	1.0%	7.20%	15.17%	68.14%	N/A	N/A
<i>MSCI Emerging Markets</i>				11.16%				14.52%	27.30%	45.45%		
<i>Private Equity</i>												
Capital International	1,349,178	0.1%	0.1%	0.00%	863,801	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>MSCI Emerging Markets</i>												
<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>125,380,461</b>	<b>6.2%</b>	<b>5.0%</b>	<b>10.98%</b>	<b>126,930,664</b>	<b>6.5%</b>	<b>5.0%</b>	<b>12.73%</b>	<b>25.10%</b>	<b>48.23%</b>	<b>38.70%</b>	<b>29.61%</b>
<i>MSCI Emerging Markets</i>				11.16%				14.52%	27.30%	45.45%	38.67%	30.66%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
Western Asset	44,856,981	2.2%	2.1%	0.55%	51,993,342	2.6%	2.6%	2.08%	2.64%	7.00%	4.29%	5.59%
<i>Lehman Aggregate</i>				0.90%				2.84%	3.77%	6.12%	3.98%	4.48%
<i>Index</i>												
Bank of ND	94,458,608	4.7%	6.0%	0.85%	93,523,911	4.8%	6.0%	3.15%	4.03%	5.69%	3.78%	4.49%
<b>Total Index</b>	<b>94,458,608</b>	<b>4.7%</b>	<b>6.0%</b>	<b>0.85%</b>	<b>93,523,911</b>	<b>4.8%</b>	<b>6.0%</b>	<b>3.15%</b>	<b>4.03%</b>	<b>5.69%</b>	<b>3.92%</b>	<b>4.50%</b>
<i>Lehman Gov/Credit</i>				0.91%				3.01%	3.94%	6.00%	3.84%	4.69%
<i>Convertibles</i>												
Calamos (2)	47,525,515	2.4%	2.1%	2.95%	55,288,986	2.8%	2.6%	3.50%	6.55%	N/A	N/A	N/A
<b>Total Convertibles</b>	<b>47,525,515</b>	<b>2.4%</b>	<b>2.1%</b>	<b>2.95%</b>	<b>55,288,986</b>	<b>2.8%</b>	<b>2.6%</b>	<b>3.50%</b>	<b>6.55%</b>	<b>12.55%</b>	<b>5.57%</b>	<b>3.31%</b>
<i>Merrill Lynch All Convertibles (3)</i>				1.92%				1.01%	2.95%	15.38%	8.30%	10.89%
<i>BBB Average Quality</i>												
Wells Capital	44,714,831	2.2%	2.1%	1.14%	51,594,550	2.6%	2.6%	1.91%	3.08%	9.12%	5.96%	6.71%
<i>Lehman BBB</i>				1.46%				1.67%	3.15%	7.54%	4.47%	6.43%

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	October-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Quarter	Fiscal YTD	FY07	Ended	Ended
		Actual		Net ROR		Actual		Net ROR	Net ROR	Net ROR	6/30/2007	6/30/2007
											Net ROR	Net ROR
<b>Private Debt</b>												
<b>Prudential</b>	<b>50,204,975</b>	<b>2.5%</b>	<b>2.1%</b>	<b>0.83%</b>	<b>49,717,797</b>	<b>2.5%</b>	<b>2.6%</b>	<b>1.88%</b>	<b>2.72%</b>	<b>7.16%</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Aggregate</i>				0.90%				2.84%	3.77%	6.12%		
<b>Timberland</b>												
TIR - Teredo (4)	46,384,245	2.3%	2.3%	-0.06%	40,309,999	2.1%	2.1%	-0.17%	-0.23%	26.95%	12.73%	12.23%
TIR - Springbank	84,910,790	4.2%	4.2%	-0.02%	85,328,633	4.3%	4.3%	-0.07%	-0.10%	26.90%	N/A	N/A
<b>Total Timberland</b>	<b>131,295,035</b>	<b>6.5%</b>	<b>6.5%</b>	<b>-0.03%</b>	<b>125,638,632</b>	<b>6.4%</b>	<b>6.4%</b>	<b>-0.11%</b>	<b>-0.14%</b>	<b>27.33%</b>	<b>26.21%</b>	<b>20.09%</b>
<i>NCREIF Timberland Index</i>				0.76%				2.31%	3.09%	11.89%	15.17%	11.37%
<b>Infrastructure</b>												
<b>JP Morgan</b>	<b>59,844,395</b>	<b>3.0%</b>	<b>3.0%</b>	<b>-0.07%</b>	<b>21,117,739</b>	<b>1.1%</b>	<b>1.1%</b>	<b>-0.41%</b>	<b>-0.48%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>472,900,342</b>	<b>23.5%</b>	<b>24.0%</b>	<b>0.82%</b>	<b>448,874,956</b>	<b>22.8%</b>	<b>24.0%</b>	<b>1.69%</b>	<b>2.52%</b>	<b>12.52%</b>	<b>11.43%</b>	<b>10.17%</b>
<i>Lehman Aggregate</i>				0.90%				2.84%	3.77%	6.12%	3.98%	4.48%
<b>HIGH YIELD BONDS</b>												
<b>Core</b>												
Loomis Sayles	47,461,561	2.4%	2.3%	0.92%	46,972,795	2.4%	2.4%	0.37%	1.29%	13.37%	11.25%	N/A
Sutter/Wells Capital	44,982,095	2.2%	2.3%	1.31%	43,852,880	2.2%	2.4%	-3.19%	-1.92%	9.82%	8.02%	N/A
<b>Total Core</b>	<b>92,443,656</b>	<b>4.6%</b>	<b>4.6%</b>	<b>1.11%</b>	<b>90,825,674</b>	<b>4.6%</b>	<b>4.7%</b>	<b>-1.39%</b>	<b>-0.29%</b>	<b>11.59%</b>	<b>9.63%</b>	<b>5.67%</b>
<i>LB High Yield 2% Issuer Contstrained Index</i>				0.67%				0.40%	1.08%	11.22%	8.70%	N/A
<b>Mezzanine Debt</b>												
Goldman Sachs	2,102,622	0.1%	0.1%	-0.14%	2,102,638	0.1%	0.1%	-1.07%	-1.21%	7.39%	N/A	N/A
TCW	3,969,442	0.2%	0.2%	0.00%	3,225,476	0.2%	0.2%	-2.96%	-2.96%	N/A	N/A	N/A
<b>Total Mezzanine Debt</b>	<b>6,072,065</b>	<b>0.3%</b>	<b>0.3%</b>	<b>-0.06%</b>	<b>5,328,114</b>	<b>0.3%</b>	<b>0.3%</b>	<b>-2.33%</b>	<b>-2.38%</b>	<b>7.39%</b>	<b>N/A</b>	<b>N/A</b>
<i>LB High Yield 2% Issuer Contstrained Index</i>				0.67%				0.40%	1.08%	11.22%		
<b>Distressed Mortgages</b>												
PLMCO	1,231,057	0.1%	0.1%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Declaration Management		0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Distressed Mortgages</b>	<b>1,231,057</b>	<b>0.1%</b>	<b>0.1%</b>	<b>N/A</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>LB High Yield 2% Issuer Contstrained Index</i>				0.67%								
<b>TOTAL HIGH YIELD BONDS</b>	<b>99,746,778</b>	<b>5.0%</b>	<b>5.0%</b>	<b>1.05%</b>	<b>96,153,788</b>	<b>4.9%</b>	<b>5.0%</b>	<b>-1.35%</b>	<b>-0.32%</b>	<b>11.62%</b>	<b>9.64%</b>	<b>11.24%</b>
<i>LB High Yield 2% Issuer Contstrained Index</i>				0.67%				0.40%	1.08%	11.22%	8.77%	11.75%
<b>INTERNATIONAL FIXED INCOME</b>												
<b>International Sovereign</b>												
<b>UBS Global (Brinson)</b>	<b>44,972,546</b>	<b>2.2%</b>	<b>2.5%</b>	<b>1.48%</b>	<b>44,305,640</b>	<b>2.3%</b>	<b>2.5%</b>	<b>7.48%</b>	<b>9.08%</b>	<b>0.21%</b>	<b>2.69%</b>	<b>6.66%</b>
<i>Citigroup Non-US Gov't Bond Index (5)</i>				1.83%				8.10%	10.08%	2.22%	3.23%	6.89%
<b>International Core</b>												
<b>Brandywine</b>	<b>47,299,987</b>	<b>2.4%</b>	<b>2.5%</b>	<b>3.00%</b>	<b>45,943,422</b>	<b>2.3%</b>	<b>2.5%</b>	<b>5.77%</b>	<b>8.94%</b>	<b>6.63%</b>	<b>7.38%</b>	<b>N/A</b>
<i>Lehman Global Aggregate (ex-US)</i>				2.07%				7.35%	9.57%	3.78%	5.22%	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	<b>92,272,533</b>	<b>4.6%</b>	<b>5.0%</b>	<b>2.25%</b>	<b>90,249,063</b>	<b>4.6%</b>	<b>5.0%</b>	<b>6.60%</b>	<b>9.01%</b>	<b>3.41%</b>	<b>5.03%</b>	<b>8.23%</b>
<i>Citigroup Non-US Gov't Bond Index (5)</i>				1.83%				8.10%	10.08%	2.22%	3.27%	6.92%
<b>REAL ESTATE</b>												
<b>INVESCO</b>												
J.P. Morgan Strategic & Special Funds	51,075,508			0.00%	51,589,416			3.09%	3.09%	14.44%	20.09%	14.86%
J.P. Morgan Alternative Property Fund	53,099,175			0.60%	53,427,479			4.18%	4.80%	19.72%	20.09%	15.71%
	12,303,767			0.77%	12,210,061			0.00%	0.77%	6.70%	N/A	N/A
<b>TOTAL REAL ESTATE</b>	<b>116,478,449</b>	<b>5.8%</b>	<b>5.0%</b>	<b>0.35%</b>	<b>117,226,956</b>	<b>6.0%</b>	<b>5.0%</b>	<b>3.25%</b>	<b>3.62%</b>	<b>15.47%</b>	<b>19.41%</b>	<b>14.88%</b>
<i>NCREIF TOTAL INDEX</i>				1.17%				3.56%	4.77%	17.24%	17.83%	14.30%
<b>ALTERNATIVE INVESTMENTS</b>												
Brinson IVCF II	79,860			0.00%	79,860			0.00%	0.00%	31.73%	17.69%	12.50%
Coral Partners II	100,077			0.00%	99,987			0.15%	0.15%	-0.22%	1.54%	5.72%
Coral Partners V	3,263,007			0.00%	3,314,698			-1.25%	-1.25%	-1.78%	-4.71%	-14.30%
Coral Partners V - Supplemental	449,295			0.00%	473,983			-0.33%	-0.33%	8.49%	3.75%	0.86%
Coral Momentum Fund (Formerly Fund VI)	9,003,507			0.00%	9,378,687			43.80%	43.80%	-16.26%	-8.10%	N/A
Brinson 1998 Partnership Fund	821,827			0.00%	821,163			6.31%	6.31%	31.02%	22.24%	11.25%
Brinson 1999 Partnership Fund	1,662,989			0.00%	2,131,718			8.83%	8.83%	19.95%	14.43%	7.53%
Brinson 2000 Partnership Fund	6,058,096			0.00%	6,053,208			12.46%	13.52%	18.72%	9.86%	
Brinson 2001 Partnership Fund	4,813,232			0.00%	4,809,348			7.25%	7.25%	15.81%	13.02%	7.67%
Brinson 2002 Partnership Fund	2,719,655			0.00%	2,717,460			7.77%	7.77%	11.10%	12.11%	11.95%
Brinson 2003 Partnership Fund	851,369			0.00%	850,682			-2.14%	-2.14%	34.38%	19.70%	N/A
Total Brinson Partnership Funds	16,927,167			0.00%	17,383,580			8.74%	8.74%	16.34%	16.34%	10.08%
Brinson 1999 Non-US Partnership Fund	814,444			0.00%	813,786			-15.34%	-15.34%	111.26%	57.67%	39.95%
Brinson 2000 Non-US Partnership Fund	2,144,571			0.00%	2,142,840			9.22%	9.22%	55.10%	34.26%	25.05%
Brinson 2001 Non-US Partnership Fund	1,416,796			0.00%	1,684,440			8.40%	8.40%	7.81%	14.42%	11.71%
Brinson 2002 Non-US Partnership Fund	3,136,845			0.00%	3,374,692			9.52%	9.52%	88.98%	43.24%	29.72%
Brinson 2003 Non-US Partnership Fund	2,703,547			0.00%	2,701,365			5.76%	5.76%	76.59%	33.38%	N/A
Brinson 2004 Non-US Partnership Fund	1,133,116			0.00%	1,132,201			7.85%	7.85%	23.98%	15.75%	N/A
Total Brinson Non-US Partnership Fund	11,349,317			0.00%	11,849,325			6.06%	6.06%	62.33%	35.68%	25.84%
Brinson BVCF IV	9,061,277			0.00%	8,668,614			9.99%	9.99%	-3.23%	10.47%	6.87%
Adams Street Direct Co-investment Fund	4,898,648			0.00%	4,636,303			-0.11%	-0.11%	N/A	N/A	N/A
Matlin Patterson Global Opportunities	2,183,253			0.00%	2,181,492			-60.15%	-60.15%	10.95%	25.72%	N/A
Matlin Patterson Global Opportunities II	17,088,873			0.00%	15,601,686			0.61%	0.61%	37.09%	N/A	N/A
Matlin Patterson Global Opportunities III	1,838,706			0.00%	1,837,223			-15.88%	-15.88%	N/A	N/A	N/A
InvestAmerica	3,619,870			0.00%	3,616,949			18.49%	18.49%	13.96%	-2.58%	-5.68%
Hearthstone MSII	147,933			0.00%	0			0.00%	0.00%	-95.85%	-100.00%	-100.00%
Hearthstone MSIII	1,743,140			0.00%	1,721,773			18.89%	18.89%	208.65%	79.05%	N/A
Corsair III	4,626,518			0.00%	1,785,265			14.87%	14.87%	N/A	N/A	N/A
Quantum Resources	1,778,844			0.00%	1,777,508			-8.56%	N/A	N/A	N/A	N/A
Quantum Energy Partners	904,637			0.00%	903,807			-17.70%	-17.70%	N/A	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (6)</b>	<b>89,063,928</b>	<b>4.4%</b>	<b>5.0%</b>	<b>0.00%</b>	<b>85,310,740</b>	<b>4.3%</b>	<b>5.0%</b>	<b>3.37%</b>	<b>3.37%</b>	<b>16.83%</b>	<b>15.02%</b>	<b>7.25%</b>
<b>CASH EQUIVALENTS</b>												
<b>Northern Trust STIF/STEP</b>	<b>19,384,758</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.42%</b>	<b>26,823,346</b>	<b>1.4%</b>	<b>1.0%</b>	<b>0.68%</b>	<b>1.10%</b>	<b>5.25%</b>	<b>3.91%</b>	<b>3.00%</b>
<i>90 Day T-Bill</i>				0.30%				1.34%	1.64%	5.21%	3.78%	2.76%
<b>TOTAL FUND</b>	<b>2,009,209,594</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.06%</b>	<b>1,965,396,514</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.37%</b>	<b>3.45%</b>	<b>18.95%</b>	<b>14.97%</b>	<b>13.33%</b>
<b>POLICY TARGET BENCHMARK</b>				2.05%				2.55%	4.65%	16.45%	12.29%	11.20%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM  
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2007

October-07				September-07				Current Fiscal YTD	Prior Year FY07	3 Years Ended	5 Years Ended
Allocation		Month		Allocation		Quarter				6/30/2007	6/30/2007
Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	Net ROR	Net ROR

- (2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.  
(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.  
(4) Prior to June 1, 2006, the Toreda properties were under the management of RMK.  
(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.  
(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.